CA4ONHBLA63
77R21

HAMILTON PUBLIC LIBRARY
DEC - 4 1980
GOVERNMENT DOCUMENTS

REPORT OF THE CITIZENS' TASK FORCE ON EMPLOYMENT

TO THE MAYOR OF THE CITY OF HAMILTON

JUNE 28, 1977

4440 Stelco Tower
100 King Street West
Hamilton, Canada
L8P 1A2

June 28, 1977.

His Worship Mayor J. A. MacDonald,
City of Hamilton,
City Hall,
HAMILTON, Ontario.

Your Worship:

In early January you asked me to be Chairman of a citizens' task force on employment.

While you did not detail the terms of reference for our committee, I understood from discussions with you that you wished us to look specifically at the following two areas:

(1) In late 1976, the federal government introduced the Canada Works and Young Canada Works programs to replace the former Local Initiatives Program. You wished us to review the new programs to ensure that worthy projects in the City of Hamilton were proposed for grants and that, as a high unemployment area, the City shared fully in the total grant program.

(2) You asked us to consider if the City of Hamilton could play an effective role in increasing employment opportunities.

As a committee, we have formed some tentative conclusions which we would like to review with you now and ask you for specific direction in the areas which you would like investigated in more detail.

In the attached memorandum, we report our observations and findings which can be summarized as follows:

(1) We have concluded that the City of Hamilton should not take an active role in the Canada Works and Young Canada Works programs except as an applicant for grants under the programs.

(2) There is a positive role for the City of Hamilton to play in job creation but that role is not in funding community projects except perhaps with "seed" money. The City's role should be that of a catalyst for the private and public sector to provide full-time employment. In making job

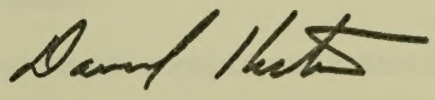
investment decisions, the City will have to consider whether it will encourage and promote job opportunities for all skill levels and age groups or concentrate on the larger pools of the unemployed.

(3) There are a number of groups in the City that are attempting to match up the unemployed with job vacancies, principally the Canada Manpower branch of the Department of Manpower and Immigration. While a high percentage of the unemployed register with Canada Manpower, we have been led to believe that only about 25% of the job vacancies are registered with Canada Manpower. There appears to be a need for an overall co-ordinator of job opportunities and job seekers but we suspect that the handicapped would suffer in seeking employment without the enthusiasm and support of the special interest groups which have had some success in approaching employers directly. The co-ordinator role would be extremely expensive involving a computerized library of job vacancies and job seekers and we suspect that even if the benefits are there, the role should be played by the regional government of Hamilton-Wentworth rather than by the City of Hamilton.

(4) Neighbourhood associations should be encouraged to provide local employment centres through which residents could contact job seekers for minor tasks such as snow removal and changing storms and screens.

We would be pleased to meet with you at your convenience to discuss our observations and to consider how our committee might further help the City in promoting employment.

Yours very truly,



D. M. Hector:saf

Attachment

Committee members:
David M. Hector (Chairman), S. G. Hollowell (Secretary), D. A. R. Pepper, Henry Mancinelli, K. B. Paulin, R. Deans, Mrs. T. Glen Chambers, C. D. McCallum, B. D. Harrison, Murray R. Mazza, Gary Schumacher, Jas. V. Sardo, D'Arcy Luxton, Wm. J. Sled, Mrs. Ellen Paikin, Bronco Jazvac.

NATURE OF UNEMPLOYMENT IN HAMILTON

The Canada Manpower Centre in Hamilton provided the following statistics on their unemployed clients registered at December 31, 1976:

BREAKDOWN BY AGE

MALE	9,906	FEMALE	7,748	TOTAL	17,354	
Under 20	1,798		1,295		3,093	17.8%
20 - 24	2,776		2,066		4,842	27.9
25 - 44	3,842		2,746		6,588	38.0
45 - 64	1,444		1,327		2,771	16.0
65 & over	46		14		60	.3
						100.0%

The Centre also provided a breakdown by occupational group which indicated a high concentration of unemployed females in the clerical, sales and service groups. More specifically, the table showed that of the 7,448 females looking for work at December 31, 4,284 of these were looking for employment in these three fields. A number of employed persons register with Canada Manpower as well, looking for alternative employment.

There are two other sources of unemployment statistics readily available.

The Department of Social Services of the Regional Municipality of Hamilton-Wentworth maintains statistical records of their caseloads and for December, 1976, their reports indicate a total of 5,000 families receiving welfare benefits, of which 1,500 are regarded as being employable males, 500 as employable females, 1,000 unemployable males, 1,800 unemployable females and 200 unclassified.

The federal unemployment insurance office in Hamilton also maintains statistics which indicate 10,200 individuals (approximately 6,000

males and 4,200 females) are unemployed and actively seeking work. By age group, the claims are:

Under 20	400	4%
20 - 24	2,300	23
25 - 44	4,000	39
45 - 64	2,000	19
65 & over	1,500	15
	10,200	100%

Theoretically, there should be no duplication between the social service recipients and those registered with the Unemployment Insurance Commission and you should be able to take an accurate measure of the unemployed in the Region by adding the two together. However, registrations with the Unemployment Insurance include a number of individuals who are not working but either do not plan to work when their benefits run out, for example, some maternities, and others who are not working but are assured of jobs within a certain period, for example, other maternities and workers at plants with scheduled shutdowns. Our best guess is that there are slightly under 15,000 employable males and females looking for work in Hamilton-Wentworth. Canada Manpower vacancies run from 650 to 1,200.

Mike Pennock and Cathy Allan, in a research study prepared for the Social Planning and Research Council of Hamilton and District in October, 1976, concluded amongst other things -

"(1) Unemployment will probably remain high for the next few years and then decrease during the early 1980's.

(2) Employment growth will probably remain below average in the local area.

(3) The growth which does occur will be concentrated in the tertiary industrial sector (transportation, trade, finance, services and public administration).

(4) The ongoing shift away from demand for unskilled to skilled tradesmen, white-collar workers and service industry workers will be intensified.

(5) Employment opportunity problems for unskilled workers will probably become more intensified.

(6) Pressure upon the local economy to absorb new workers will remain above traditional levels for the next decade."

The above conclusions are consistent with the findings of the Steel & Related Industries Study carried out by Woods, Gordon & Co. for the Regional Municipality of Hamilton-Wentworth, which study concluded amongst other things that Hamilton-Wentworth must look to new manufacturing industries, major retail functions and the services sector for employment growth and not to the steel industry.

In addition to the existing unemployed in Hamilton, the City is experiencing declining school enrolments, a depressed real estate market and a high vacancy rate in apartments, all indicators that if the job opportunities were here, Hamilton could readily handle an influx of new workers.

Obviously, Hamilton must be aggressive in creating job opportunities and in establishing priorities must weight the answer to the following question heavily -

"How many long-time jobs will this plan or project create?"

CANADA WORKS AND YOUNG CANADA WORKS

The Canada Works and Young Canada Works programs are developments of the job creation programs of the Government of Canada. The Canada Works program was announced in the fall of 1976 with provision for two phases in 1977, the first with a deadline for applications of February 4, 1977 and the second phase deadline for August 26, 1977. Provision was made for only one phase in the Young Canada Works program in 1977 and

the deadline for applications was set for February 4, 1977.

The projects eligible for funding under the Canada Works program had to meet the following criteria:

(1) Create new jobs that match the skills of the locally unemployed.

(2) Create jobs which are over and above those that would normally exist in the community.

(3) Create jobs that are designed to maintain or increase the skills of project employees.

(4) Provide worthwhile services or facilities to the community that do not duplicate or compete with existing services or facilities.

(5) Demonstrate that they can be completed in the proposed time frame.

(6) Demonstrate that they will not create a dependency after Canada Works funding ceases.

(7) Be of a non-profit nature.

Projects which are not eligible for consideration for funding are those which would:

(1) Create less than five continuing full-time jobs.

(2) Require employees who are not unemployed and seeking work.

(3) Be the normal ongoing responsibilities of the sponsoring body.

(4) Require funding for longer than 52 weeks or over $180,000 in federal funds.

(5) Create a community dependency that will cease to be responded to at the termination of Canada Works funding.

(6) Be submitted by a department or agency of the federal or provincial government.

(7) Enhance the value of private property.

(8) Be the same activity in the same community as a job creation project that was funded the previous year.

The Young Canada Works program follows the same outline but the funding is limited to 14 weeks or $25,000.

Insufficient lead time was given to the program to distribute applications and promote the program for the February 4 deadline and while this was recognized (by indications to us that the allocation of funds for the second phase would be much greater than for the first phase of the Canada Works program), by the middle of June, 1977, applications were still not available for the second phase and there was little public evidence of active promotion.

Mechanically, the program appears to have been well designed with the allocation of funds on a federal constituency basis and the intention of having each Member of Parliament establish a Minister's Advisory Board in this constituency to review and recommend acceptance or rejection of programs put forward by his constituents. In the Hamilton area, Messrs. Kempling, MacFarlane and Munro formed Ministerial Advisory Boards but Messrs. Alexander and O'Sullivan did not. To assist in our evaluation of this program, this committee asked to be observers on the Advisory Boards. Our request was granted by Mr. MacFarlane but rejected by Mr. Kempling and Mr. Munro primarily, we were advised, to protect the confidentiality of the applicants. However, brief descriptions of the approved projects are available from the Job Creation Branch of the Department of Manpower and Immigration.

A cursory review of these indicates that many do not meet the criteria of the program in that they set in place programs which will require continued funding from some level of government, such as a halfway house for women of all ages who suffer from alcoholism and drug abuse, or they appear to be normal ongoing responsibilities of the sponsoring body, e.g., painting five schools for a school board. In view of the limited timing, we do not feel that any issue should be made of the failure of some of the projects to meet the criteria. The City of Hamilton was successful in

obtaining funding for a number of projects.

We were advised by the Job Creation Branch that 185 jobs were created in the Hamilton area (Hamilton East, West, Mountain, Wentworth and Halton-Wentworth) for a program cost of $769,000 under the Canada Works program (as compared with an original allocation of $695,000 for this area; $11,000,000 for Ontario; $60,000,000 for Canada) and 150 jobs for a program cost of $328,000 under the Young Canada Works program. In one constituency, not enough projects were received to use up the full federal allocation and the excess was returned to the federal treasury rather than being made available to the other Hamilton constituencies.

We have heard some criticism of the method of allocation of funds by constituency but we concluded that the benefits of community involvement through the Ministerial Advisory Boards and the establishment of priorities in smaller geographical areas outweighed any advantages of efficiency in establishment of overall priorities on a city or provincial basis.

Unquestionably, the Canada Works and Young Canada Works programs are creating jobs in the Hamilton area and for short periods of time are moving workers from the unemployment and welfare rolls to "employed" positions. However, the programs are not meeting very many of Hamilton's needs for the following reasons:

(1) Long-term jobs are not created.

(2) The program is directed primarily to the unskilled labour force.

(3) Unless there is other funding, the projects must involve primarily labour and require very little funding for materials.

(4) The projects (at least to date) do not produce materials or services for sale which would provide private enterprise with a means of assessing whether the need in the community was strong enough to justify an independent enterprise.

(5) There is little "multiplier" effect in the community.

(6) Perceived needs are met for a brief period and then alternative

funding for useful projects must be found - almost inevitably resulting in approaches to the City and to the Region. The result then is in part a transfer of income support payments from the federal government to the municipal government.

The project officers established in each Job Creation Branch office appear to us to be highly motivated and effective in searching out and assisting with applications and we have concluded that the City should take advantage of the Canada Works and Young Canada Works programs by sponsoring projects developed by the City's staff. There is no apparent urgent need for the City to encourage groups or agencies in the City to apply or to assist with such application.

ASSISTANCE TO THE UNEMPLOYED

There are many uncoordinated groups assisting the unemployed to find work.

At the time of this report, although it is in the process of being changed, the Unemployment Insurance program, the Canada Manpower Centre and the Job Creation Branch all offer separate counselling services to the unemployed even though they all fall under the Department of Manpower and Immigration. In addition, these groups have offshoot programs such as LEAP (Local Employment Assistance Program) and CAG (Citizens Action Group) which specialize in certain employment needs. The Department of Social Services of the Regional Municipality of Hamilton-Wentworth has a full counselling program and it too has its offshoot programs such as LONAR (Linking of Needs and Resources). There is a provincial body OCAP (Ontario Career Action Program) and many service agency groups such as PATH (Placing Assessed Training Handicapped) and there are interested citizens' groups such as COPE (Community Organized to Provide Employment). It is little wonder that we are hearing complaints from employers about the number of approaches being made to them by governmental and community groups seeking placements.

Groups placing handicapped are, of course, having a particularly difficult time in this period of high general unemployment.

On several occasions, suggestions have been made to us that there is a need for a co-ordinator not only in terms of maintaining a clearing house for the unemployed but also for job vacancies. While most of the individuals on the unemployment insurance rolls and the social service rolls are registered with Canada Manpower, relatively few of those not on the rolls but looking for work register with CMC. On the other hand, it appears to be the experience of Canada Manpower that a relatively low percentage of job opportunities (25%) are registered with CMC. There are many other methods of searching out prospective employees such as newspaper advertising, in-house notifications and personnel agencies.

We have not attempted to measure the benefits of a central co-ordinator or assess the related problems and costs. It is safe to assume that the costs will be substantial and, with high unemployment levels predicted for the next couple of years, the benefits would not appear to be commensurate with the cost. We suggest that your own staff pursue this possibility as we do not think that a volunteer committee could do a proper job of evaluating the proposal. Logically, the role of co-ordinator would appear to be more appropriate for the Region than the City. As a partial step in this direction, the special interest groups should be encouraged and assisted in forming an overall co-ordinating body for approaches to employers, a parallel to the United Way.

In late 1976, the federal and provincial governments jointly funded Community Employment Strategy in several communities across Canada. One such group was formed in Hamilton-Wentworth and a management committee was set up under the chairmanship of Mr. D. McCallum. Their preliminary report was released in May and you have received a copy.

According to the report of findings, the objectives of Hamilton-Wentworth's CES are two-fold:

"(1) To facilitate the entry of people, who are usually dependent for all or most of their income on income support programs, into productive employment, to the social and economic advantage of both the individual and the community.

(2) To ensure maximum efficiency in the use of government employment related programs primarily for the above group.

The basic strategy of the CES committee is to involve the community in attempting to reduce the barriers to employment experienced by the selected group."

We have attended some of their meetings and it is clear that there is no substantial overlap as the CES group is concentrating on the process of finding employment and your task force is concentrating on job creation. CES is, however, involving itself in some job creation efforts and, in particular, is launching a pilot project in food recycling.

There is one other group in Hamilton that warrants mentioning and encouragement. Mohawk College, working together with a provincially funded group - the Hamilton Industrial Training Advisory Committee - offers a special apprenticeship program for millwrights and is considering a co-operative training program for trades. The purpose of this program is to upgrade employee skills. There is a need for more of these apprenticeship programs either through direct skill training or through subsidizing the wages of unskilled or semi-skilled workers while they learn a trade. We suggest that the City review the available apprenticeship programs and their sources of funding. It is our view that the Unions should assume primary responsibility to ensure that there are adequate pools of skilled labourers for all trades. The trades unions are in the best position to detect swings in demand for specific skills and to assess the level of skills required for various job categories. Meetings should be held with

the Hamilton Labour Council executive to develop an action plan.

JOB CREATION

There is a role for the City of Hamilton to play in job creation. It should not take any lead role in income support for the unemployed as the federal, provincial and regional governments are all heavily involved in this area. Similarly, except as a possible co-ordinator, the City should assume that the placement of unemployed workers in existing job opportunities is receiving adequate attention in the community by various government agencies and community groups. From our discussions, the two areas where needs are not being filled are certain skilled trades and jobs involving relatively low pay scales combined with physical inconvenience. In the first area, for example, the small contractor for home repairs has difficulty finding skilled tradesmen with an appropriate work attitude, i.e., the contractor bids a contract price and then must ensure that the job is done well and efficiently to earn a profit and avoid losses. Of the second type of unfilled needs, there are many job openings in fields such as landscaping, gas station attendants and farming (particularly during harvest) where the combination of relatively low pay and hours of work or distance to the job site result in unfilled job openings even with the current heavy unemployment. Putting it another way, we are tempted to conclude that with the income support programs the employer's ability to pay is not adequate in many cases to attract the unemployed to employment.

Unfortunately there is a built-in deterrent in the Unemployment Insurance Act. Unemployment insurance benefits are paid on the basis of 66-2/3% of average weekly insurable earnings. As a result, when an unemployed worker looking at a job opportunity which pays a lower rate than his last employment, he must consider the possibility that

if he is laid off from the new job he will receive lower unemployment insurance benefits than he is currently receiving. We have not attempted to find an answer for this problem but there must be some way to establish that in the event of subsequent unemployment a worker who takes a job at a lower rate will be reinstated at the old benefit rate until the benefit period expires.

We were impressed with the decrease in the caseloads handled by the Department of Social Services in Hamilton-Wentworth. From January, 1976 to April, 1977, the number of cases was reduced from 5,847 to 4,772, which represents a substantial reduction in direct support payments. This appears to have been done through a tightening up of the whole program and a concentration on finding jobs for those receiving family benefits. In addition, the recoveries of amounts expended by the Department on family benefits, workmen's compensation, unemployment insurance, family court, fraud and third party payments increased from $185,000 in 1975 to $297,000 in 1976, a further indication of the exercise of increasingly stronger controls over the system.

As with unemployment insurance, there is a problem in that many jobs will produce lower disposable income than benefits under the Family Benefits Act. This is probably not as common as generally thought but we understand that a married man with two children would suffer a drop in disposable income if he took employment at or near the legal minimum pay level. It seems particularly unreasonable for farmers to have to bring in labourers to harvest their crops when there are so many unemployed on the unemployment and social services rolls. The City and the Region should decide if it wishes the Commissioner of Social Services to take a harder line with individuals who are capable of doing this kind of work but refuse to do so. An inducement could be offered to avoid some of the disturbance of

a more direct approach. For example, the undertaking could be made that the individuals would receive at least an amount equivalent to their family benefit allowance but would be entitled to retain all of the amounts earned in excess of the family benefits allowance for these jobs involving short-term employment.

As contrasted with being a catalyst, the City of Hamilton could take a direct role in creating jobs in Hamilton by establishing businesses to meet local needs with a view to selling the business to private enterprise once it has been established. This innovative idea has considerable merit in that not only would it directly create jobs but it would have a multiplier effect in the community and the City's financing would be limited to funding the deficit, if any, as opposed to funding the whole program for the type of projects being approved under the Canada Works program.

The Community Employment Strategy committee is pursuing such an approach and is undertaking a feasibility study for a food recycling plant. The City might wish to participate in this project directly or indirectly by observing the development of the project with an eye to focusing on problems that are encountered in the experiment. In our view, the City could operate more effectively as a catalyst for many new businesses than as a principal investor for a few.

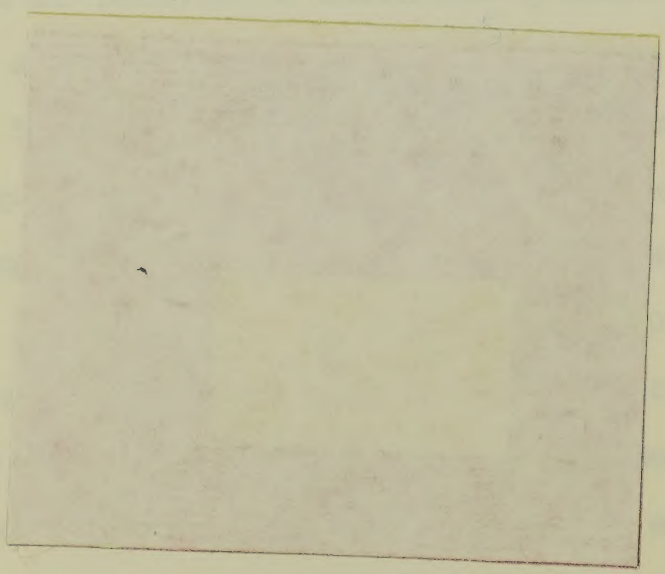
At the community level, we feel that there are many small jobs, such as minor home repairs, not getting done because inexpensive short term job seekers are not readily accessible. This task force or a successor might consider organizing a few of the neighbourhood associations in the City to provide a pool of the local unemployed on which the local residents could draw for such minor jobs as snow removal and garage painting.

There are obviously problems in retaining existing businesses

as well as attracting new businesses. You are well aware of the number of businesses that have moved out of the community in the last ten years and we have not attempted to document these. In our view, it is the job of the Business Development section of the Planning and Development Department of the regional government to establish the reasons for the loss of these businesses and recommend or take corrective action. With three-quarters of the population of Hamilton-Wentworth living in the City of Hamilton, unemployment is very much a City issue. Although we would be one of the last groups to encourage duplication of services, the Committee is inclined to think that your Planning Department should include a business development section to encourage the retention and development of industry in Hamilton or else the regional department should be expanded. We were advised that the regional business department section comprises three individuals for 180,000 existing jobs!

We believe that the City of Hamilton has taken many constructive steps in improving employment in Hamilton. The major project, of course, is the redevelopment of the downtown core which has revitalized the downtown, improved city tax revenues and provided many employment opportunities both during construction and business operations. Further employment opportunities will be provided by the construction of a hotel, the Trade and Convention Centre and the expanded airport. When projects like the Hamilton-Wentworth Museum of Industry are brought to the attention of City Council, heavy emphasis should be placed on the long-term employment provided. The cost of deficit financing of some of these programs could be insignificant compared to cost of transfer payments for unemployed.

We believe there is a role for the City to aggressively search for new industry in Hamilton. We understand that you are taking some steps to compile an inventory of goods and services not provided locally.



Presumably the Business Development Department can use this information together with its statistics on land availability and labour availability to directly approach existing corporations to locate branches in Hamilton. While the City is prohibited from providing financial incentives through municipal tax rebates, there are undoubtedly many other forms of inducement such as through improving peripheral services such as transportation, e.g., the perimeter industrial road.

We have not considered problems that are basically national problems on which the City could have little impact. There are repeated warnings across Canada that our wage rates are sufficiently in excess of those in the United States that our export sales are threatened. These statements have been enunciated by very responsible men in the business community and presumably can be easily substantiated. However, close at home, there has been criticism that the City itself is creating employment problems by establishing salary levels and working conditions that are sufficiently attractive so as to cause employment problems in the private sector locally. This is certainly a difficult area to deal with and it would be easy to make some general recommendation about holding the lid on costs. However, throughout this report, we have deliberately attempted to avoid very general recommendations of the "as best we can" and "upwards and onwards" genre. The only practical answer to this problem of wage differentials is to transfer the work to the private sector. If there is free competition in the provision of services to the City, very likely everybody will gain. The scope is substantial and could involve services to the public such as garbage collection or services to City Council in City planning and legal matters.

Concern was also expressed that the wage scales of the heavy manufacturing industries in Hamilton not only caused employee turnover

problems with the secondary and tertiary industries but were also a deterrent to new industries locating in the community. As the employment in the secondary and tertiary industries grows in relation to the primary industries, this is becoming less of a problem.

For many years there has been complaints about the lack of serviced industrial land in Hamilton and statements have been made to the effect that we have failed to attract industry and have lost existing industry because we have not been able to meet their land requirements. Unquestionably, there is a shortage of immediately available serviced land but the City and Region have failed to make the most out of the available land. Specifically, the servicing of the east mountain industrial park has been extremely slow. This is hard to understand when many of the lots in that park have been sold for industrial expansion for a couple of years now. The City and Region should move immediately to complete the servicing in this area and to extend the servicing in Stoney Creek and Ancaster, which in total would open up 3,300 acres for industrial growth. While there are watershed problems in developing land for industrial use to the south of Hamilton, there are almost unlimited opportunities to develop Flamborough and Waterdown. We should not lose industries like Slater and John Deere because we cannot provide blocks of 35 and 75 acres.

Admittedly there is virtually no land available for industrial development in the City itself but in our opinion further industrial growth in the City is not particularly desirable. As a rule of thumb, the Planning and Development Department of the Region indicates that light industry will utilize about 12 employees per acre and heavy industry will utilize between 25 and 65. Obviously acreage cannot be assembled in substantial quantities to provide significant employment opportunities through industrial use. Rather, the City should look to commercial development throughout

downtown Hamilton. There appears to be a substantial amount of land available for commercial redevelopment and we believe that such development would be triggered by the construction of a hotel and the Trade and Convention Centre. Accordingly, both for the direct jobs these projects would provide in the construction and operating stages and for the multiplier effect the commencement of these projects would have, the construction of the hotel and Trade and Convention Centre should be the number one priority of the City.

HAMILTON PUBLIC LIBRARY
3 2022 21335041 2

URBAN/MU